A-E CONTRACTING BULLETIN 98-04, 6 MAY 1998

SUBJECT: DFARS Changes on A-E Selection

- 1. On 9 March 1998, Defense Acquisition Circular 91-13 changed DFARS 236.602 regarding A-E evaluation boards and selection approval. These changes were proposed by HQUSACE and are shown at the bottom of the bulletin. Strike-through's denote deleted language and brackets denote new language. The primary effects of the changes are discussed below.
- 2. 236.602-2(a). Deletes the requirement for separate approval of a preselection board report (if a preselection board is held). The preselection board report can be included with the selection board report and approved together, which will save several days. The DFARS requirement that preselection boards be formally constituted was deleted since FAR 36.602-2(a) already says evaluation board members "shall be appointed." Also, the DFARS requirement for a minimum of three members for a preselection board was deleted since there was no similar FAR or DFARS restriction for selection boards. However, a minimum of three members is still recommended.
- 3. 236.602-2(a). Clarifies that the purpose of a preselection board is to identify firms "that have a reasonable chance of being considered as most highly qualified by the selection board." The previous DFARS language, which required a preselection board to prepare a "list of the maximum practicable number of qualified firms," tended to cause many marginally qualified firms to be passed on to the selection board. This new DFARS policy has been the USACE policy for some time (see EFARS 36.602-2(S-100)).
- 4. 236.602-4(a). Deletes the burdensome and confusing rules about "special approval" of A-E selections for contracts over \$500,000. The new rule simply requires approval "at a level appropriate for the dollar value and nature of the proposed contract." Accordingly, we will soon revise the EFARS to eliminate the current monetary restrictions on the delegation of A-E selection approval authority to districts. I will issue a bulletin when the EFARS changes are effective.

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CHANGES TO
DEPARTMENT OF DEFENSE FAR SUPPLEMENT
Effective 9 March 1998 (DAC 91-13)

236.602 Selection of firms for architect-engineer contracts.

236.602-2 Evaluation boards.

- (a) Preselection boards are authorized, if the lists they develop are approved by the head of the construction activity. If used, preselection boards will- [Preselection boards may be used to identify to the selection board the qualified firms that have a reasonable chance of being considered as most highly qualified by the selection board.]
 - (i) Be formally constituted;
 - (ii) Consist of at least three members; and
- (iii) Prepare a preselection list of the maximum practicable number of qualified firms using data described in FAR 36.603, and any other pertinent information.
- 236.602-4 Selection authority.
 - (a)(i) The following selections require special approval-
- (A) The estimated contract price exceeds \$500,000;
- (B) The firm to be selected has already been awarded contracts totaling over \$500,000 during the current calendar year by the construction activity; or
- (C) Supplemental work added to an existing contract causes the total contract price to exceed \$500,000. Special approval is not, however, required for supplemental work added to a contract under the clause at FAR 52.243-1, Changes-Fixed Price.
- (ii) Special approval means, approval by the next higher organizational level above the construction activity or as established in contracting activity procedures and must be obtained prior to negotiation with the A-E firm.
- [(a) The selection authority shall be at a level appropriate for the dollar value and nature of the proposed contract.]
- (c) A finding that some of the firms on the selection report are unqualified does not preclude approval of the report, provided that a minimum of three [most highly qualified]firms remains. The reasons for finding a firm or firms unqualified must be recorded.